CONFERENCE ON DISARMAMENT

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LETTER DATED 17 MARCH 1994 FROM THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE CONFERENCE AND THE PERMANENT REPRESENTATIVE OF UKRAINE ADDRESSED TO THE PRESIDENT OF THE CONFERENCE ON DISARMAMENT TRANSMITTING THE TEXT OF THE JOINT STATEMENT ON DEVELOPMENT OF UNITED STATES-UKRAINIAN FRIENDSHIP AND PARTNERSHIP, ISSUED BY PRESIDENT CLINTON OF THE UNITED STATES OF AMERICA AND PRESIDENT KRAVCHUK OF UKRAINE ON THE OCCASION OF THEIR 4 MARCH 1994 MEETING IN WASHINGTON D.C.

We have the honour to forward to you the text of the Joint Statement on Development of United States-Ukrainian Friendship and Partnership, issued by President Clinton of the United States of America and President Kravchuk of Ukraine on the occasion of their 4 March 1994 meeting in Washington D.C.

Could you please take the appropriate steps to register this document as an official document of the Conference on Disarmament, and to have it distributed to all member delegations and non-member States participating in the work of the Conference.

(Signed): Stephen J. Ledogar
Ambassador and United States
Representative to the
Conference on Disarmament

(Signed): Olexander Slipchenko
Ambassador
Permanent Representative
of Ukraine
Head of Delegation

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* Re-issued for technical reasons.

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JOINT STATEMENT ON DEVELOPMENT OF UNITED STATES-UKRAINIAN FRIENDSHIP AND PARTNERSHIP

On the occasion of their 4 March 1994 meeting in Washington D.C., the President of the United States of America, William J. Clinton, and the President of Ukraine, Leonid M. Kravchuk, agree to open a new era in relations between their two nations.

In doing so, they agree to undertake to broaden the context of bilateral relations on the basis of partnership and mutual trust and respect; shared commitment to democracy, human rights and the rule of law; common goals in preventing the proliferation of weapons of mass destruction; and, in the joint interest of promoting free trade, investment, and economic cooperation between the two countries.

By embracing these principles, the United States and Ukraine agree to work in friendship in the interests of the mutual well-being of their peoples and in pursuit of an enduring global peace. Embarking on this new era, the two leaders agree to work actively to implement the following comprehensive programme of cooperation:

I. Security assurance

President Clinton and President Kravchuk discussed security assurances for Ukraine and agreed on the importance of such assurances. The sovereignty, independence, and territorial integrity of Ukraine are of key importance to the United States. In this regard, as agreed in the 14 January Trilateral Statement, the United States and other nations are prepared to extend in the form of a multilateral document security assurances to Ukraine once the START I Treaty enters into force and Ukraine becomes a non-nuclear-weapon State party to the Nuclear Non-Proliferation Treaty.

II. Nuclear arms reduction assistance ("Nunn-Lugar")

Under the framework of the Agreement Between the United States of America and Ukraine on the Elimination of Strategic Nuclear Arms, and the Prevention of Proliferation of Weapons of Mass Destruction of 25 October 1993, the United States of America has committed $177 million in assistance to Ukraine. The United States intends to provide an additional $175 million in Fiscal Year 1994 and Fiscal Year 1995. Of this, $100 million will be made available in Fiscal Year 1994 for projects in the following areas:

- the conversion of the defence industry of Ukraine to civilian activities;
- the elimination of strategic nuclear arms;
- the establishment of a system of export control for the prevention of proliferation of weapons of mass destruction; and,
- the development of State systems of control, accounting, and physical protection of nuclear materials.

The United States will also seek an additional $75 million in "Nunn-Lugar" assistance for Ukraine in Fiscal Year 1995.

The Government of the United States of America, in consultation with the Government of Ukraine, shall expeditiously decide on the appropriate allocation of proposed assistance among these four areas. Once this decision has been made, the two sides shall expeditiously seek to conclude an agreement and three amendments specifying this proposed increase in assistance.

For defence conversion assistance, the two sides shall work to conclude a new implementing agreement between the Department of Defense of the United States of America and the Ministry of Engineering, Military-Industrial Complex and Conversion of Ukraine.

For additional strategic nuclear weapon elimination assistance, including assistance for the elimination of SS-19 and SS-24 missiles and silos, for additional export control assistance, and for additional assistance relating to control, accounting, and physical protection of nuclear materials, the two sides shall work to amend the respective implementing agreements concluded in December 1993.

III. Economic and commercial cooperation

The two leaders agree that expanded bilateral economic ties and commercial cooperation can make a significant contribution to strengthening United States-Ukrainian relations and developing free markets, economic growth and jobs in the two countries. In this regard, both countries attach great significance to their bilateral Agreement on Trade Relations which came into force on 22 June 1992, and are committed to carrying out its full provisions. The United States and Ukraine also agree to establish a special Bilateral Commission on Trade and Investment to expand commercial relations.

Both countries will work to reduce barriers to trade and investment in order to expand access to each other's market. The United States appreciates the importance of market access for economies in transition, such as Ukraine. The United States has already extended to Ukraine the benefits of the United States Generalized System of Preferences. In their efforts to expand trade, both sides will be guided by the principles of the GATT. The United States supports Ukraine's interest in formally applying for GATT membership and is prepared to provide technical assistance to help Ukraine implement a trade regime consistent with GATT rules.

United States private investment in Ukraine can make an important contribution to Ukraine's transition to a market economy. Both sides agree that the signing of an Avoidance of Double Taxation Treaty and a Bilateral Investment Treaty, providing comprehensive protection for investors, are important steps to stimulate private capital flows, but that they need to be accompanied by Ukrainian actions to improve its overall investment climate if the full potential for foreign direct investment is to be achieved.

Both sides agree on the importance of cooperation and information exchange in the area of science and technology. The conclusion of a bilateral Science and Technology Agreement will help formalize government-to-government

cooperation in this area. In addition, the United States and Ukrainian Governments agree to establish a special Joint Commission to facilitate cooperation in high technology and scientific research and development. The two Governments agree to cooperate in the field of outer space and to hold early meetings of experts to consider specific issues and areas of cooperation in this field.

The two leaders continue to place the highest priority on the success of political and economic reform in Ukraine. The United States will provide up to $350 million in bilateral economic assistance in Fiscal Year 1994 to support Ukraine's transition to a market-oriented economy and a democratic society. The United States and Ukraine also agree that international financial institutions, particularly the IMF and the IBRD, have an essential role to play in providing financial resources to facilitate Ukraine's transition to a market economy. The United States encourages Ukraine to work closely with the IMF and the IBRD in implementing a programme of bold economic reforms. The United States, for its part, is prepared to exercise leadership within the G-7 to mobilize additional, multilateral assistance to support a comprehensive reform programme.